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April 21, 2021

VIA ELECTRONIC FILING

Jocelyn G. Boyd, Esquire
Chief Clerk & Administrator
Public Service Commission of South Carolina
101 Executive Center Drive, Suite 100
Columbia, South Carolina 29210

RE: Joint Petition of Mid-Carolina Electric Cooperative, Incorporated and Dominion Energy South Carolina, Incorporated for the Reassignment of Territory in Lexington and Saluda Counties, Exchange of Certain Customers, and Transfer of Assets, and Approval of Agreements to Limit Corridor Rights
Docket No. 2021-78-E

Dear Ms. Boyd:

By this letter, the South Carolina Office of Regulatory Staff ("ORS") hereby notifies the Public Service Commission of South Carolina ("Commission") that ORS has reviewed the joint petition filed by Dominion Energy South Carolina, Inc. ("DESC" or the "Company") and Mid-Carolina Electric Cooperative, Inc. ("Mid-Carolina Electric") (collectively, the "Petitioners") for reassignment of certain territory in Lexington and Saluda Counties, approval of the transfer of facilities and existing customers, and approval of agreements to limit corridor rights in the specified areas ("Joint Petition").

Overview of Petitioners' Request

The Petitioners request that the Commission approve the Joint Petition which includes the following requests:

1. To reassign certain territories in Lexington and Saluda Counties as outlined in the Joint Petition.
2. To approve the transfer of affected customers currently being served within such territories, specifically:
 - a. Fifty-two (52) affected customers from the Crystal Cove Community in Saluda County, who are presently being served by DESC, to be served by Mid-Carolina Electric, and

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- b. Three (3) affected customers from the Rocky Retreat Community in Lexington County, who are presently being served by DESC, to be served by Mid-Carolina Electric.
3. To approve the transfer of certain existing facilities owned by DESC to Mid-Carolina Electric in order to serve the affected customers; specifically:
 - a. Approximately 3.86 miles of overhead primary conductor and 1.56 miles of underground primary conductor and the associated equipment in Saluda County, and
 - b. Approximately 0.64 miles overhead primary conductor and the associated equipment in Lexington County.
4. To approve the agreement between Petitioners to limit corridor rights in the specified areas.

The Joint Petition was executed on March 2, 2021 and was filed with the Commission on March 2, 2021.

As defined by S.C. Code Ann. § 58-27-610(1) (2015), DESC is an electric supplier subject to the jurisdiction of the Commission, and Mid-Carolina Electric is subject to limited jurisdiction of the Commission as an electric supplier. Under S.C. Code Ann. § 58-27-640 (2015), the Commission may assign to electric suppliers' areas outside the corporate limits of municipalities and that are more than 300 feet from the lines of electric suppliers. Under S.C. Code Ann. § 58-27-650(A) (2015), the Commission may reassign portions of previously assigned service areas upon agreement of the affected electric suppliers. Additionally, under S.C. Code Ann. § 58-27-620(8) (2015), the Commission has the authority to approve agreements between electric suppliers concerning corridor rights, and the Commission shall approve those agreements if, after giving notice and an opportunity for hearing to interested parties, it finds the agreements to be fair and reasonable.

ORS Recommendation

The Petitioners indicate that the Joint Petition resulted from lengthy good faith negotiations and that the territories from different geographic locations were considered on an integrated basis—concurrently and in combination—during the negotiations. The Petitioners state that the reassignments of territory, exchange of customers, and transfer of facilities described in the Joint Petition are in the interest of public convenience and necessity, and that careful consideration was given to system economy, service reliability and good utility practice, efficiency, and safety. In particular, the Joint Petition, if approved, would reduce the number of distribution lines crossing Lake Murray, thereby eliminating four (4) lake crossings, two (2) for each of the Petitioners.

Additionally, the Petitioners state that each is fully capable of furnishing adequate and dependable electric service in the specified territories, that no suppliers other than the Petitioners

provide electric service in the specified territories, and as such, no facilities or service territories of any other electric suppliers other than Petitioners' will be affected by the changes proposed.

The affected customers, presently being served by DESC, were each sent a letter on January 5, 2021, requesting their response indicating support or objection by January 25, 2021. In summary, a tally of the responses received by the Company is as follows:

- (a) Crystal Cove Community (Saluda County):
Total Customers – 52; No Response – 28; No Objection – 22; Objection – 2 (these objections were noted to have been resolved after a call with DESC representative)
- (b) Rocky Retreat Community (Lexington County):
Total customers – 3; No Response – 0; No Objection – 3; Objection – 0

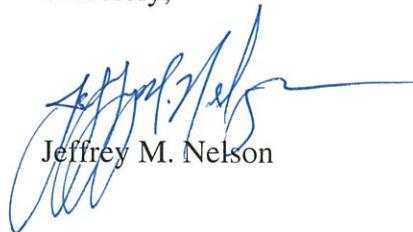
Furthermore, the Joint Petition states that the assets being transferred from DESC to Mid-Carolina Electric have a fair market value of less than \$1 million.

ORS issued discovery to DESC in order to verify the Company's determinations and information in the Joint Petition, and to obtain additional information regarding the driving factors, the potential benefits for customers, the classifications and status of the specified territories, and the impact, if any, on parties or entities not affiliated with the Petitioners. Through discovery, ORS reviewed the customers' written objections, where present, and verified that none of the objections were in relation to concerns regarding adequacy or dependability of service. In addition, ORS reviewed the book value of the assets proposed to be transferred to Mid-Carolina Electric and verified that the total fair market value of the assets was less than \$1 million. ORS also held a virtual meeting with the Company on April 12, 2021 to further discuss the Joint Petition.

Based on its review, ORS does not object to the Petitioners' request for the Commission's approval of the Joint Petition. If approved, ORS recommends requiring the Petitioners to file amended territorial assignment maps for Lexington and Saluda Counties to reflect the modifications requested in the Joint Petition.

Please do not hesitate to contact me should you have any questions.

Sincerely,



Jeffrey M. Nelson

cc: All Parties of Record (via e-mail)
David Butler, Esquire (via e-mail)